

## Message Text

LIMITED OFFICIAL USE

PAGE 01 TOKYO 06265 281343Z

15

ACTION EB-07

INFO OCT-01 CIAE-00 COME-00 DODE-00 NRC-05 NSAE-00 USIA-06

TRSE-00 ISO-00 EA-07 ERDA-05 L-03 EUR-12 /046 W

----- 035843

R 280840Z APR 76

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 8802

LIMITED OFFICIAL USE TOKYO 6265

EXCON

E.O. 11652: N/A

TAGS: ESTC, XG, JA

SUBJECT: EXPORT CONTROL COMPLIANCE STUDY

REF: STATE 066662

SUMMARY: RESPONSIBLE MITI OFFICIAL (KIMIO HADA) PROVIDED EMBOFFS WITH INFORMATION SET OUT BELOW TO EFFECT THAT MITI, IN CONJUNCTION WITH BANKS, CUSTOMS SERVICE AND JAPANESE POLICE, PROVIDE ENFORCEMENT OF EXPORT CONTROL PROVISIONS WHICH GOJ FINDS EFFECTIVE AND SUFFICIENT. END SUMMARY.

1. (Q. 1 AND 2) THE ORGANIZATION IN JAPAN RESPONSIBLE FOR ENFORCING COMPLIANCE IN EXPORT CONTROL MATTERS IS THE EXPORT DIVISION, (REFERRED TO BKJLOW AS "THE DIVISION") INTERNATIONAL TRADE ADMINISTRATION BUREAU, MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY (MITI). COCOM ENFORCEMENT IS RESPONSIBILITY OF A SECTION WITHIN THIS DIVISION. LEGAL AUTHORITIES ARE AS FOLLOWS:

A) ARTICLES 26, 48, 49, 67, 69 AND PARA 4 OF SUPPLEMENTARY PROVISIONS OF FOREIGN EXCHANGE AND FOREIGN TRADE CONTROL LAW (LAW NO. 228 OF DEC. 1, 1949; LATEST AMEMDMENT: LAW NO. 99 OF JUNE 15, 1968);

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 TOKYO 06265 281343Z

B) CABINET ORDER NO. 378 OF DEC. 1, 1949 (LATEST

AMENDMENT: ORDER NO. 343 OF NOV. 28, 1975);

C) EXPORT TRADE CONTROL REGULATIONS ISSUED UNDER  
MITI ORDINANCE NO. 64 OF DEC. 1, 1949 (LATEST AMENDMENT:  
ORDINANCE NO. 116 OF NOV. 28, 1975).

2. (Q. 3) THE DIVISION DOES NOT NORMALLY HAVE ACCESS  
TO PRIVATE ESTABLISHMENTS ON A REGULAR BASIS, BUT MAY  
MAKE OCCASIONAL SPOT CHECKS AS PART OF INVESTIGATION  
PROCESS (SEE BELOW).

3. (Q. 4) THE DIVISION HAS ITS OWN INVESTIGATIVE  
OFFICERS AS WELL AS MAKING POLICY DETERMINATIONS. IN  
ADDITION IT HAS ACCESS TO BANK AND CUSTOMS DATA, CUSTOMS  
AND POLICE INVESTIGATIVE SERVICES.

4. (Q. 5) PRE-LICENSING CROSS-CHECKING OF DOCUMENTS--BY  
MITI PRODUCT DIVISIONS AND EXPORT DIVISION, BY FOREIGN  
EXCHANGE BANKS AND BANK OF JAPAN AND BY CUSTOMS--IS  
EXTENSIVE AND THOROUGH AND IS SUPPLEMENTED BY POST-  
LICENSING CHECKS BY THE DIVISION AND BY SPOT-CHECKS OF  
THE GOODS AT PORT BY CUSTOMS UNDER ITI MINISTER'S  
DIRECTION. IF SUSPICION OF VIOLATION IS RAISED BY  
DISCREPANCIES IN DOCUMENTATION OR INFORMATION FROM OTHER  
QUARTERS--E.G., POLICE, BANKS, POLITICAL OPPOSITION--THE  
DIVISION IS EMPOWERED TO SUMMON RECORDS AND DOCUMENTS  
FROM BANKS OR BUSINESSES CONCERNED AND TO REQUIRE  
RESPONSIBLE OFFICIALS TO RESPOND TO DIVISION'S INQUIRIES.  
OFFICIALS OF THE DIVISION MAY ALSO CONDUCT SPOT CHECKS  
AT THE PLACE OF BUSINESS. SEPARATE POLICE INVESTIGATION  
OF POSSIBLE TRADE LAW VIOLATIONS PROCEEDS INDEPENDENTLY,  
BUT MAY BE TRIGGERED BY A REQUEST FROM THE DIVISION.  
CASES BELIEVED TO INVOLVE GENUINE VIOLATIONS ARE REFERRED  
TO PUBLIC PROSECUTOR'S OFFICE BY ITI MINISTER. CLERICAL  
ERRORS OR OVERSIGHTS ARE REQUIRED TO BE EXPLAINED BY  
THE CHIEF EXECUTIVE OF THE COMPANY CONCERNED.

5. (Q. 6) ALL ITEMS OF WHICH EXPORT IS RESTRICTED (INCLUDING,  
FOR EXAMPLE, DRUGS, NATIONAL TREASURER AND MILITARY ITEMS)  
FALL UNDER THE DIVISION'S JURISDICTION.  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 TOKYO 06265 281343Z

6. (Q. 7) NO CASES OF WILLFUL VIOLATIONS PUNISHABLE BY  
FINES, IMPRISONMENT OR SUSPENSION OF TRADING PRIVILEGES  
AROSE IN 1975. TOTAL "WARNING CASES" DISCOVERED BY  
THE DIVISION, IN WHICH TOP COMPANY EXECUTIVES WERE  
REQUIRED TO APOLOGIZE FOR INADVERTENT ERRORS AND PROMISE  
THAT THEY WOULD NOT RECUR, NUMBERED IN THE DOZENS, BUT  
INCLUDED NO COCOM CASES.

7. (Q. 8) ACCORDING TO HADA, MITI AUTHORITIES ARE SATISFIED THAT CURRENT PROVISIONS AND OPERATIONS ARE EFFECTIVE IN ENFORCING COCOM AND GOJ EXPORT CONTROL REQUIREMENTS.

8. EMBASSY COMMENT: THE JAPANESE TRADITION OF OBEDIENCE AND RESPECT FOR CONSTITUTED AUTHORITY (CRIME RATE IS ONE OF LOWEST IN THE WORLD) COUPLED WITH A STRONG NEED FOR COMPANIES TO STAY ON THE RIGHT SIDE OF THE ESTABLISHMENT (LICENSE APPLICATIONS, ETC., OFTEN SEEM TO GET DELAYED IF A FIRM HAS THE REPUTATION OF CUTTING CORNERS ON OFFICIAL REGULATIONS) LEND A HIGH DEGREE OF CREDIBILITY TO THE CLAIM OF EFFECTIVE ENFORCEMENT.  
HODGSON

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TREATY COMPLIANCE, POLICIES, STRATEGIC TRADE CONTROLS, EXPORT CONTROLS, EXPORT LICENSES, STUDIES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 28 APR 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** BoyleJA  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976TOKYO06265  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760162-0479  
**From:** TOKYO  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760410/aaaaaiiw.tel  
**Line Count:** 130  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 STATE 66662  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** BoyleJA  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 01 JUN 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <01 JUN 2004 by buchant0>; APPROVED <22 SEP 2004 by BoyleJA>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EXPORT CONTROL COMPLIANCE STUDY  
**TAGS:** ESTC, ETRD, XG, JA, US  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006